

## **Minutes of the Finance Committee**

**Wednesday, August 20, 2014**

Chair Heinrich called the meeting to order at 8:31 a.m.

**Present:** Supervisors Jim Heinrich, Eric Highum, Duane Paulson, Richard Morris, Bill Zaborowski, and Larry Nelson. **Absent:** Steve Whittow.

**Also Present:** Chief of Staff Mark Mader, County Board Supervisor Christine Howard, Federated Library Director Connie Meyer, Budget Specialist Bill Duckwitz, Clinical Services Manager Joan Sternweis, Principal Buyer Cindy Greco, Matt Masterson of The *Freeman*, Community Development Coordinator Kristin Silva, Senior Financial Analyst Steve Trimborn, Solid Waste Supervisor Rebecca Mattano, Land Resources Manager Perry Lindquist, Human Resources Manager Jim Richter, Principal Financial Projects Analyst Bob Ries, and Collections & Business Services Manager Andy Thelke. Recorded by Mary Pedersen, County Board Office.

### **Approve Minutes of August 6**

MOTION: Paulson moved, second by Zaborowski to approve the minutes of August 6. Motion carried 6-0.

### **Schedule Next Meeting Date**

- September 3

### **Chair's Executive Committee Report of August 18**

Heinrich highlighted the following items discussed at the last Executive Committee meeting.

- Approved Ordinance 169-O-049, also on this agenda, and Ordinance 169-O-050 related to the library tax levy district distribution formula.
- Heard an update and statistics on UW-Waukesha student population, curriculums, and building maintenance.
- Heard an update on the Waukesha-Ozaukee-Washington (WOW) Workforce Development Board.
- Approved two appointments.
- Heard committee reports.

### **State Legislative Update**

Mader said Legislative Policy Advisor Sarah Spaeth recently covered tracking a study committee that is looking at problem solving court related issues.

### **Fund Transfer 2014-210-1: Federated Library – Transfer Funds from Operating Expenses to Operating Expenses and Interdepartmental Expenses**

Meyer and Duckwitz discussed this fund transfer which involves transferring \$19,100 to cover the cost of moving its office to a new location which will cost less in rent and utilities than the current location. The \$19,100 also includes new furniture and equipment purchases. Funds are available

due to the lower rental and utility charges as well as technology related costs for Internet, email services, and equipment repair/replacement.

MOTION: Nelson moved, second by Paulson to approve Fund Transfer 2014-210-1, Federated Library. Motion carried 6-0.

**Contract Procurement Process for Onsite Pharmacy Services**

Sternweis, Greco, and Howard were present to discuss this item. Sternweis indicated this five-year contract was awarded to Genoa Healthcare of Wisconsin, the highest rated proposer, for a total cost of \$4,250,000. The first year cost is \$850,000 and the first year budgeted amount is \$896,590. Three vendors submitted RFPs for consideration.

MOTION: Morris moved, second by Zaborowski to approve the contract procurement process for onsite pharmacy services. Motion carried 6-0.

**Ordinance 169-O-040: Execute Subgrantee Agreements And HUD Grant Agreement For Community Development Block Grant (CDBG) And Home Investment Partnership (HOME) Programs For The 2015 Program Year**

Silva discussed this ordinance which authorizes the County Executive to execute agreements with the Federal Government to accept up to \$3,055,813 of Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) grants and program income. If the funding allocation awards are less than the estimated amount, the CDBG and HOME Consortium Boards will make appropriate reductions to subgrantee grant amounts and notify the Finance Committee. The Community Development expenditures will be limited to the amount of the award. If the final appropriation is greater than the estimate (\$3,055,813), an ordinance to appropriate the additional funds will require future County Board approval. This ordinance has no direct tax levy impact.

MOTION: Nelson moved, second by Paulson to approve Ordinance 169-O-040. Motion carried 6-0.

**Ordinance 169-O-049: Amendment Of Collaborative Materials Recycling Facility Capital Project 201409 Relating To Transfer Station Cost**

Lindquist and Mattano were present to discuss this ordinance as outlined. Capital Project 201409 as currently scoped includes the County's share of the construction of and equipment for a Materials Recycling Facility (MRF) to be operated jointly with the City of Milwaukee. It also includes converting the current Waukesha County MRF to a transfer station for collection of participating municipalities' material for compacting and transport to the new joint MRF. After this capital project was adopted, the County Board authorized the County to enter into intergovernmental agreements with the participating municipalities that will require the transport of recyclable materials directly to the new MRF rather than through a transfer station.

This ordinance would modify the scope of the project to eliminate the transfer station capital project costs which were budgeted at \$600,000. Because the project is funded from MRF Fund balance accumulated through the prior sale of recycled material, this ordinance results in no impact to tax levy.

Lindquist requested this ordinance be pulled at this time due to additional contingency costs at the MRF which recently came to light. A revised ordinance will be brought forward in September or October.

**Ordinance 169-O-051: Employee Retention/Severance Salary And Benefits For 2015**

Richter said in the course of developing the 2015 proposed budget, positions may be abolished or funding reduced (most are typically vacant) for various departments. This ordinance authorizes a benefit program for County employees that may be laid off in 2015. It does not cover employees who terminate their employment voluntarily prior to their layoff, who accept employment in another County position, or who decline such employment.

Under the proposed retention/severance program, regular full-time employees will be eligible for a severance payment as follows: Less than 3 years – 3 weeks; 3 years but less than 10 years – 6 weeks; and 10 or more years – 9 weeks. Regular part-time employees will be eligible for half the benefit. In addition, regular full-time and part-time employees would be eligible for up to four months of the County contribution toward the health plan they are enrolled in at the time of termination. Terminated employees would also be eligible to participate in the Tuition Assistance Program for one year after being laid off.

No funds were spent for severance/retention in 2013 or 2014 to date. The Non-departmental budget proposal for 2015 will restore those lapsed funds (budgeted at \$70,000) and any additional estimated to be required for the year. At this time, it is estimated that no more than an additional \$40,000 will be needed. Any costs related to the tuition assistance benefit will be absorbed within the 2015 Human Resources budget.

MOTION: Paulson moved, second by Morris to approve Ordinance 169-O-051. Motion carried 6-0.

**Investments Report for Six Months Ended**

Ries reviewed his report as outlined which included information on the highlights, investment yield and revenue, average daily balance, total County investment income and balances, average investment rates, and the County's portfolio. Ries advised the total return for the second quarter was down 17 basis points from the first quarter, to 0.29%. Total interest earnings for the second quarter were \$519,012, down \$354,030 from the first quarter, due largely to the decrease in realized gains as compared to the prior quarter. Average investment balances decreased \$13.9 million counter to the County's cash flow trend.

MOTION: Morris moved, second by Zaborowski to accept the investments report for six months ended. Motion carried 6-0.

**Contract Procurement Process for ECM Governance Plan Consulting Services**

Thelke advised the contract was awarded to Syslogic, Inc., the highest rated proposer, for a total contract cost of \$62,960. A total of \$341,700 for contracted services is available for this project, of which \$62,960 will be used to fund the ECM governance plan. Four vendors submitted RFPs for consideration.

MOTION: Highum moved, second by Paulson to approve the contract procurement process for ECM governance plan consulting services. Motion carried 6-0.

**Collections Report for Six Months Ended**

Thelke discussed his report titled "Collections Division Collection/Referral Analysis: 2014 Six-Month Report." Total collections through June 30, 2014 were \$2,260,156. The amount retained by the County was \$1,626,866. This compares to the same time period in 2013 when these figures were \$2,058,290 and \$1,455,281, respectively. Total six-month collections increased 9.8% from 2013 and 19.9% from 2012. Tax intercept collections totaled \$1,447,387 versus \$1,180,793 collected during the first six months of 2013. A total of 6,225 tax intercept payments were received on accounts in 2014 (5,203 in 2013).

MOTION: Paulson moved, second by Nelson to accept the collections report for six months ended. Motion carried 6-0.

MOTION: Paulson moved, second by Morris to adjourn at 9:54 a.m. Motion carried 6-0.

Respectfully submitted,

William J. Zaborowski  
Secretary